

Message Text

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SUBJECT: UNGA: SPECIAL HAITIAN CONCERNS IN CONTEXT OF SECRETARY'S
LUNCHEON MEETING WITH ARA FONMINS OCT. 2

1. FONMIN BRUTUS PLANS ARRIVE NEW YORK SHORTLY BEFORE SECRETARY'S OCTOBER 2 LUNCHEON FOR ARA FONMINS, AND IS GREATLY LOOKING FORWARD TO HEARING SECRETARY'S VIEWS ON CURRENT ISSUES OF CONCERN TO HEMISPHERE. BRUTUS HAS DEVELOPED WELL SINCE HIS APPOINTMENT AS FONMIN THIS SPRING, AND HIS RECENT VISIT TO IRAN AND ISRAEL BROADENED HIS APPRECIATION OF DEVELOPMENTAL PROBLEMS FOR LDC'S IN PRESENT PRECARIOUS STATE OF WORLD ECONOMY. BRUTUS CONTINUES TO BE AN INFLUENTIAL COUNSELOR TO PRESIDENT DUVALIER.

2. FOLLOWING ARE PRINCIPAL BILATERAL ISSUES OF PARTICULAR CONCERN TO GOH WHICH BRUTUS MAY SEEK TO RAISE WITH SECRETARY OR SECRETARY'S PARTY IN COURSE OF LUNCHEON MEETING. TO OUR KNOWLEDGE, HE HAS NOT REQUESTED BILATERAL TALK DURING UNGA.

3. HAITI AS ODD-MAN-OUT IN INTER-AMERICAN SYSTEM. HAITIANS HAVE LONG BEEN APPREHENSIVE THAT THEIR INTERESTS WILL NOT RECEIVE ATTENTION WHICH THEY DESERVE BECAUSE OF HAITI'S UNIQUE SITUATION IN INTER-AMERICAN SYSTEM, BEING AFRO-FRENCH RATHER THAN SPANISH IN TERMS OF ETHNIC, CULTURAL, AND LINGUISTIC DERIVATION. SINCE 1971 HAITIANS HAVE ESTABLISHED CLOSER TIES WITH OTHER ARA STATES
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AND THIS YEAR ARE APPLYING FOR ADMISSION TO CARICOM. NEVERTHE-

LESS, HAITI'S CONCERN AT BEING SIDELINED PROBABLY INDUCES SKEPTICISM ABOUT RECENT U.S. INITIATIVES TO STRENGTHEN ARA SYSTEM. HAITIANS, MOREOVER, KNOW EXTENT OF VIRULENT PROPAGANDA--AND, IN RECENT MONTHS, TERRORISTIC MEASURES--DIRECTED AGAINST THEIR GOVERNMENT BY SMALL IRRECONCILABLE GROUP OF EXILES IN NEW YORK AND MIAMI AND THEY ARE UNSURE TO WHAT DEGREE THESE ACTIVITIES MAY AFFECT U.S. PUBLIC AND PRIVATE ATTITUDES TOWARD HAITI.

4. TRANSNATIONAL ENTERPRISES. HAITI SHARES A SUSPICION COMMON TO MANY ARA STATES THAT USG BACKING FOR TRANSNATIONAL ENTERPRISES IS INCONSISTENT WITH THEIR NATIONAL INTEREST IN NEGOTIATING MOST ADVANTAGEOUS CONTRACTS, PARTICULARLY ON EXPLOITATION OF MINERAL RESOURCES. HAITI HAS TWO MAJOR NEGOTIATIONS IN PROSPECT: REYNOLDS (NEGOTIATION OF OLD CONTRACT) AND KENNECOTT COPPER (EXPLORATION). FIRST ROUND OF REYNOLDS BAUXITE TAX NEGOTIATIONS ENDED IN IMPASSE AND GOVT GAVE COMPANY UNTIL NOVEMBER 11 TO "REFLECT" ON GOVT TERMS, WHICH WOULD HAVE EFFECT OF INCREASING GOH REVENUES BY OVER SEVEN TIMES OVER PREVIOUS LEVELS. NEGOTIATIONS WITH KENNECOTT ARE EXPECTED TO BEGIN IN EARLY OCTOBER: GOVT STRATEGY IS TO DENY ANY SPECIAL PRIOR RIGHTS TO KENNECOTT BY VIRTUE OF ITS HAVING ASSUMED CERTAIN RESPONSIBILITIES ON EXPLORING TERRITORY ALLOCATED TO DEFUNCT HAICANA CORPORATION, AND TO PLACE KENNECOTT IN DIRECT COMPETITION WITH A FRENCH FIRM EQUALLY INTERESTED IN OBTAINING NEW CONCESSIONARY RIGHTS. IN BOTH THESE CASES GOVT HAS TAKEN A FIRM LINE AND CLEARLY SEES BOTH ECONOMIC AND POLITICAL ADVANTAGES IN DOING SO.

5. APPLICATION OF HICKENLOOPER AMENDMENT. GOVT LEADERS, AS A RESULT OF OUR REPRESENTATIONS, NOW UNDERSTAND MORE CLEARLY THAN THEY DID THE CONSEQUENCES OF ACTIONS WHICH COULD AMOUNT TO EXPROPRIATING ASSETS OF U.S.-OWNED ENTERPRISES WITHOUT ADEQUATE COMPENSATION. THE POSSIBILITY THAT HICKENLOOPER AMENDMENT COULD BE INVOKED AS A RESULT OF GOH ANNULMENT OF DUPONT CARIBBEAN CONTRACT TO DEVELOP TORTUGA ISLAND UNDER 99-YEAR LEASE HAS THEM DEFINITELY WORRIED. GOH PROBLEM IN THIS CASE IS THAT IT IS CONVINCED THAT U.S. PROMOTER (DON PIERSON) DID NOT BEHAVE RESPONSIBLY OR PROFESSIONALLY IN EXECUTING CONTRACTUAL OBLIGATIONS AND THAT SINCE FALL LEGAL PROCEDURE IN HAITI LED TO SUPREME COURT DECISION IN FAVOR OF GOH, THE GOVT WOULD SEEM TO HAVE NO FLEXIBILITY ON REOPENING ISSUE WITH PIERSON. MORE GENERALLY, GOVT OFFICIALS HERE HAVE HAD LONG

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EXPERIENCE WITH U.S. PROMOTERS WHO HAVE CAPITALIZED ON HAITI'S PRESSING NEEDS AND ADMINISTRATIVE INEXPERIENCE TO NEGOTIATE CONTRACTS THAT HAVE, IN THEIR VIEW, RESTRICTED HAITI'S SOVEREIGNTY (E.G. OVER TORTUGA), LIMITED PRODUCTION OF COMMODITIES IMPORTANT FOR NATIONAL DEVELOPMENT (E.G. CEMENT), OR COMPROMISED HAITI'S RIGHT TO DISPOSE ON BEST AVAILABLE TERMS OF NATIONAL PATRIMONY IN MINERALS OR UNDEVELOPED LAND FOR TOURISM. IT IS DIFFICULT FOR HAITIANS TO ACCEPT STRICT LINKAGE IN LAW BETWEEN ALLEGED

EXPROPRIATORY ACTS AND TERMINATION OF U.S. ECONOMIC ASSISTANCE PROGRAMS--PROGRAMS WHICH REPRESENT, IN HAITIAN EYES, A RESPONSIBILITY FOR U.S. AS THE VASTLY MOST POWERFUL MEMBER OF THE HEMISPHERIC COMMUNITY. HAITIAN RESISTANCE TO THIS CONCEPT IS FORTIFIED, THESE DAYS, BY KNOWLEDGE THAT INCREASING NUMBER OF INTERNATIONAL LENDING ORGANIZATIONS AND BILATERAL DONOR STATES ARE INTERESTED IN HELPING HAITI EMERGE FROM ITS POSITION AS ONE OF THE WORLD'S 25-LEAST-DEVELOPED COUNTRIES. HAITIANS DO NOT FEEL THEIR EGGS ARE ALL IN U.S. BASKET AND THEY ARE NOT PREPARED, ON MATTERS WHERE THEY CONSIDER THEIR NATIONAL DIGNITY AND SOVEREIGNTY RIGHTS ARE AT STAKE, TO REVERSE THEMSELVES WHERE THE ISSUE HAS BEEN DECIDED IN DUE AND PROPER LEGAL (ALBEIT PURELY HAITIAN) FORUM AND WHERE THEY CONSIDER U.S. PRIVATE PARTY TO BE LITTLE BETTER THAN SNAKE-OIL SALESMAN.

6. CONCLUSIONS. IN SUMMARIZING THESE THREE ISSUES OF PARTICULAR CONCERN TO GOH, WE DO NOT MEAN TO SUGGEST THAT THEY HAVE YET ASSUMED ANYTHING APPROACHING CRITICAL DIMENSIONS, BUT THEY NEVERTHELESS DESERVE CLOSE ATTENTION. TO THE EXTENT THAT THE SECRETARY OR OTHER USUN OR DEPARTMENTAL OFFICIALS SPEAKING TO BRUTUS MIGHT BE ABLE TO ADDRESS THEM, DIRECTLY OR INDIRECTLY, OUR INTERESTS WOULD BE WELL SERVED. IT MIGHT BE POSSIBLE, FOR EXAMPLE TO DEAL WITH THESE CONCERNS BY (1) ELABORATING ON SECRETARY'S EARLIER SUGGESTION THAT USG MIGHT PROPOSE TO CONGRESS ABROGATION OF HICKENLOOPER AMENDMENT IN CONTEXT OF EFFORTS TO ESTABLISH MORE MUTUALLY BENEFICIAL FRAMEWORK OF RELATIONS WITH ARA STATES ON TARIFFS, TRADE AND TECHNOLOGY TRANSFER; (2) STRESSING THAT USG MAKES NO DISTINCTION IN ITS COOPERATIVE POLICIES IN THE HEMISPHERE AS BETWEEN IBERIAN, FRENCH OR ENGLISH CULTURAL AFFINITIES, BUT SEEKS TO ENCOURAGE DEVELOPMENT OF COMMON INTERESTS WITHIN ARA SYSTEM TRANSCENDING SUCH DIFFERING BACKGROUNDS; (3) AFFIRMING USG CONFIDENCE THAT GOVERNMENTS AND TRANSNATIONAL CORPORATIONS

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WILL PERCEIVE BASIC MUTUAL INTEREST IN SEEKING REASONABLE ACCOMMODATION AT TIME WHEN WORLD COOPERATIVE SYSTEM IS THREATENED BY INFLATION AND ECONOMIC DISEQUILIBRIUM OF MAJOR PROPORTIONS.

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